

'03 NOV -3 A8:22

**STATE OF HAWAII**  
**REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS**

STATE PROCUREMENT OFFICE  
STATE OF HAWAII

TO: Chief Procurement Officer

FROM: Department of Human Services/Med-QUEST Division  
 (Department/Division/Agency)

Pursuant to § 103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

## Description of goods, services, or construction:

The Department seeks the services of ACS to develop, implement, and maintain the Enhanced Prior Authorization Program (EPAP) for prescription drugs. The Program will develop a list of prescription drugs that do not need prior authorization and represent multiple classes of drugs. ACS will also be responsible to conduct provider education and outreach for implementation of the EPAP.

Name of Vendor: Affiliated Computer Services, Inc. (ACS)  
 Address: 9040 Roswell Road, Suite 700  
 Atlanta, Georgia 30350

Cost:  
~~\$378,000.00~~  
 est. \$100,000/yr. *Ry*

Term of Contract: From:  
 December 1, 2003

To: *Not to exceed*  
~~November 30, 2004~~  
*March 31, 2004 or*  
*sooner, upon award of new contract* *Ry*

Prior Exemption Ref. No. (if applicable)

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:  
 DHS is seeking a limited contract with ACS to enable the department to begin to immediately address the projected state budget shortfall. Pharmacy costs for the Hawaii Medicaid program continues to increase at a rate higher than the budget provided by the legislature. With ACS, the department will begin implementation of the EPAP which is estimated to eventually save the program \$8 million in state and federal dollars.

The contract will be limited to no longer than one year. During this time, the department will competitively bid the service. The federal agency involved, CMS, is currently processing an exemption from competitively bidding for us to obtain this savings.

Details of the process or procedure to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

To competitively procure the services of a vendor to develop and implement the EPAP, negotiate supplemental rebates and develop criteria, the department risks a large budget shortfall each month that it does not take action on the access to prescription drugs.

A description of the agency's internal controls and approval requirements for the exempted procurement:

The Medical Standards Branch has made a recommendation to increase the scope of services to ACS in order to implement the EPAP immediately. The Finance Office has also recommended that an exemption be secured since an issuance of an RFP and contracting will take approximately 3 months to complete. Final recommendation is made by the Division Administrator, and approval is made by the Director of Human Services.

A list of agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Brian Pang, Finance Office  
Lee-Ann Brewer, Deputy Attorney General  
Aileen Hiramatsu, Division Administrator  
Lillian Koller, Director

Direct questions to:


Aileen Hiramatsu

Phone Number:

692-8050

This exemption should be considered for list of exemptions attached to Chapter 3-120, HAR: Yes ☐ No ☒

**I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS, TO THE BEST OF MY KNOWLEDGE,  
TRUE AND CORRECT.**

  
Department Head or Designee

OCT 30 2003  
Date

Title (If other than Department Head)

Chief Procurement Officer's Comments:

Please ensure adherence to applicable administrative requirements.

☒ APPROVED

☐ DISAPPROVED

  
Chief Procurement Officer

11/20/03  
Date

cc: Administrator.  
State Procurement Office